

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 07004 121830Z

73

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 SAM-01 FEA-02 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 EB-11 FRB-03 H-03 INR-11

INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20

CIEP-03 SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01

SP-03 OMB-01 SWF-02 AF-10 DRC-01 /208 W

----- 122009

R 121747Z SEP 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 7447

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION OECD PARIS

USMISSION GENEVA

LIMITED OFFICIAL USE EC BRUSSELS 7004

E.O. 11652: N/A

TAGS: ETRD, EAGR, EC

SUBJECT: EC/ACP NEGOTIATIONS

REF: A) EC BRUSSELS 6248

B) EC BRUSSELS 6526

1. SUMMARY: THE EC COMMISSION FEELS IT IS OVER THE HUMP ON THE
ACP NEGOTIATIONS AND THAT THE DETAILS THAT REMAIN TO BE WORKED
OUT CAN BE DEALT WITH EXPEDITIOUSLY TO ENABLE THE ACPs AND THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 07004 121830Z

NINE TO MEET THEIR AGREED TIMETABLE AND HAVE A SIGNED AGREEMENT

BY YEAR'S END. THE MAIN FOCUS WHEN THE TWO SIDES RESUME NEGOTIATIONS NEXT WEEK WILL BE THE EXPORT STABILIZATION SCHEME, WITH A VIEW TO COUNCIL CONSIDERATION IN OCTOBER. END SUMMARY.

2. IN A SEPTEMBER 10 CALL ON EC DEVELOPMENT COMMISSIONER CHEYSSON, WHICH OCCURRED ONE DAY AFTER A MAJOR PRESS CONFERENCE HELD BY CHEYSSON ON EC DEVELOPMENT POLICY, AMBASSADOR GREENWALD EXPLORED A NUMBER OF ISSUES CONCERNING THE EC/ACP NEGOTIATIONS. CHEYSSON TOLD THE AMBASSADOR THAT DURING HIS RECENT VISIT TO WASHINGTON, HE WAS MUCH ENCOURAGED BY US UNDERSTANDING OF, AND RESPECT FOR, THE EC POSITION ON A NUMBER OF DEVELOPMENT ISSUES, MOST NOTABLY THE PROGRESS BEING MADE IN THE ACP NEGOTIATIONS. CHEYSSON HAD TOLD THE PRESS ON SEPTEMBER 9 THAT THE RESULTS OF KINGSTON MEANT THAT THE NEGOTIATIONS QUOTE HAD REACHED THE TOP OF THE HILL; NOW WE JUST HAVE THE DOWNWARD SLOPE IN FRONT OF US UNQUOTE, AND HE EMPHASIZED TO THE AMBASSADOR THAT HE FELT THE REMAINING DETAILS COULD BE HANDLED WITHOUT PREJUDICING PROSPECTS FOR AN AGREEMENT BY THE END OF 1974.

3. EXPORT STABILIZATION SCHEME: OBVIOUSLY ONE OF CHEYSSON'S FAVORITE PROJECTS, HE SEES THE CONCEPT OF COMPENSATION FOR DAMAGING FLUCTUATIONS IN LDC EXPORT EARNINGS AS AN INNOVATIVE STEP IN DEVELOPMENT POLICY THAT CAN PROVIDE AN EFFECTIVE MEANS OF DEALING WITH THE COMMODITY ISSUE. CHEYSSON CHARACTERIZED THE SCHEME AT HIS PRESS CONFERENCE AS THE PRINCIPAL RESULT OF KINGSTON AND SAID THAT THE POTENTIAL BENEFITS TO THE LDCS WOULD BE COMPARABLE TO THE BENEFITS WHICH THE EUROPEAN PROLETARIAT HAD RECEIVED FIFTY YEARS AGO FROM THE INTRODUCTION OF UNEMPLOYMENT INSURANCE.

4. SCHEDULE FOR THE NEGOTIATIONS: WE HAVE LEARNED THAT OFFICIAL NEGOTIATIONS BETWEEN THE TWO PARTIES WILL RESUME NEXT WEEK. IN ORDER TO MEET THE PUBLICLY-ANNOUNCED DEADLINES OF A COMPLETED AGREEMENT BY DECEMBER 14 THE COMMISSION WILL THEREFORE HAVE TO BE IN A POSITION TO REQUEST THE COUNCIL IN OCTOBER TO PROVIDE THE NECESSARY NEGOTIATING DIRECTIVES TO CONCLUDE THE AGREEMENT.

5. US CONCERNS: CHEYSSON ACKNOWLEDGED THAT WASHINGTON LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 07004 121830Z

APPEARED PLEASED WITH THE EC DECISION NOT TO SEEK REVERSE PREFERENCES. HE NOTED A CERTAIN AMOUNT OF CONCERN, HOWEVER, BEHIND THE INTEREST WHICH THE US IS TAKING IN THE NEGOTIATIONS, AND THE EXPORT RECEIPTS SCHEME IN PARTICULAR. HE FEELS THIS IS DUE, AT LEAST IN PART, TO THE US CONCERN OVER SHORT SUPPLIES ON THE ONE HAND, AND ON THE OTHER HAND TO THE EFFECT ON WESTERN HEMISPHERE RELATIONS OF CARIBBEAN PARTICIPATION IN THE EC/ACP ARRANGEMENT. HE TOOK THE

OPPORTUNITY TO REITERATE HIS WASHINGTON ASSURANCES BOTH THAT THE SCHEME CONTAINS NO SUPPLY COMMITMENTS AND THAT THE COMMISSION INTENDS TO KEEP US FULLY INFORMED AS THE NEGOTIATIONS PROCEED.

6. GATT PRESENTATION: WASHINGTON'S CONTINUED SUPPORT FOR ITS EARLIER OFFERS OF ASSISTANCE ON THE GATT PRESENTATION QUESTION ARE MUCH APPRECIATED BY CHEYSSON. HE SEES ARTICLE XXIV OR PART IV OR SOME MIXTURE OF THE TWO AS THE LIKELY VEHICLE, BUT NOT ARTICLE XXV. THE AMBASSADOR URGED THAT WORKING -LEVEL DISCUSSIONS BEGIN ASAP IN ORDER TO DEVELOP THE SCENARIO ON THIS. CHEYSSON FULLY AGREED.

7. 44 MAY BECOME 46: CHEYSSON INFORMED THE AMBASSADOR, AND HAS ANNOUNCED TO THE PRESS THAT THE NEWLY INDEPENDENT GUINEA-BUSSAU AND MOZAMBIQUE MAY WISH TO JOIN THE ACP NEGOTIATIONS AND HE SEES NO OBJECTION, ON THE PART OF THE ACPS OR THE NINE, TO THIS TAKING PLACE. GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC INTEGRATION, EXPORT CONTROLS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ECBRU07004
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740255-0777
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740953/aaaabsq.tel
Line Count: 133
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) EC BRUSSELS 6248
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by collinp0>; APPROVED <02 JUL 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC/ACP NEGOTIATIONS
TAGS: ETRD, EAGR, ACP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005